
FEDERAL ENERGY REGULATORY COMMISSION

WASHINGTON, D.C. 20426



NEWS RELEASE

NEWS MEDIA CONTACT:

Barbara A. Connors
(202) 208-0680

FOR IMMEDIATE RELEASE

January 24, 2001
Docket Nos. ER99-3144-003, et
al., and ER01-123-000

COMMISSION MOVES FORWARD ON ALLIANCE AND MIDWEST RTO ISSUES

The Federal Energy Regulatory Commission today approved most aspects of a regional transmission organization (RTO) for the Midwest.

Chairman Curt L. Hébert, Jr. commented: "Today's action represents a giant step forward in RTO formation."

The Commission approved a compliance filing by the Alliance companies—a for-profit transmission company, or transco (ER99-3144-003, et al.). In December 1999, the Commission conditionally authorized the transfer of ownership or control of the jurisdictional transmission facilities to the Alliance transmission organization. Alliance still must make further filings.

Members of Alliance—American Electric Power Service Corporation, Consumers Energy Company, The Detroit Edison Company, FirstEnergy Corp. and Virginia Electric and Power Company, along with their 11 public utility operating subsidiaries—serve more than 26 million people in nine states.

The Commission noted that Alliance fulfilled the four characteristics and most of the functions of Order No. 2000, but further filings were needed, as the Alliance companies acknowledged.

(2)

The Commission accepted the proposed scope and configuration of the Alliance RTO as consistent with Order No. 2000.

In a separate order, the Commission deferred acting on Illinois Power Company's request to leave the Midwest Independent System Operator (ISO) to the Chief Administrative Law Judge (ER01-123-000). Dynegy Power Company, on behalf of its public utility affiliate, Illinois Power, asked that the utility be allowed to withdraw its transmission facilities from the Midwest ISO. Citing changed conditions since its merger with Illinois' former parent company, Illinova Corporation, Dynegy said it may have Illinois Power now join the proposed Alliance RTO.

The Commission said it would allow "one last effort" for the parties to negotiate an agreement, with the help of the Chief Administrative Law Judge, before the Commission makes a ruling on the issues. Parties have 30 days to complete their talks.

Under Order No. 2000, issued in December 1999, the Commission encouraged voluntary formation of RTOs. By broadening the market for electric power transactions, regional transmission organizations help ensure comparability of service for users, reliability for consumers and efficient economic transactions for customers.

The Commission outlined the functions and characteristics of RTOs and held a series of regional meetings throughout the country last year to provide guidance and support to companies forming RTOs. Initial RTO filings were made in mid-October. The Commission has set December 15, 2001, as the operational date for RTOs.